

The California Lemon Law



Turning the sour
taste of lemons into
sweet lemon-aid.

California’s historic landmark auto “Lemon Law” became the model for similar laws enacted across the nation. Minnesota Attorney General Hubert H. Humphrey III, in a 1989 letter submitted on behalf of attorneys general in all 50 states, wrote:

“State new car lemon laws (are) the single most important advance in consumer protection in the last decade.”

In the past six years alone, it is estimated that California’s Lemon Law generated nearly one billion dollars in relief to California consumers whose vehicles were branded as “lemons.”

Year	Vehicles Branded as Lemons*	Estimated Refunds & Replacements**
2001	6,213	\$176,324,940
2000	6,236	\$170,804,040
1999	5,116	\$137,594,820
1998	5,607	\$145,557,720
1997	6,433	\$160,278,195
1996	6,432	\$154,946,880
Total	36,037	\$945,506,595

Source: * California Department of Motor Vehicles.
** Based on average price of a new car for each year – average price figures from National Auto Dealers Association.


California’s Arbitration Certification Program

There is one program in California that has helped more than 12,000 consumers find relief under the Lemon Law... and it has the potential to help many more. It’s the Department of Consumer Affairs’ Arbitration Certification Program (ACP). This program has been an integral part of the Department of Consumer Affairs since 1987. ACP’s mission is to make sure certified arbitration programs provide fair and fast resolution of Lemon Law disputes. Arbitration services by state-certified manufacturer programs are provided free of charge to consumers.

Participation in the California Arbitration Certification Program is optional for auto manufacturers. Currently, 14 manufacturers - representing approximately two-thirds of the new vehicles sold or leased in California - offer arbitration programs certified by ACP.


If you buy a new or used vehicle and suspect that it may be a lemon, you don’t need to start with a costly court battle. Instead, start with the California Arbitration Certification Program.

PHONE



(916) 323-3406
or
(800) 952-5210

ON THE WEB



<http://dca.ca.gov/acp>

When you contact ACP, ask for a free copy of “Lemon-Aid for Consumers” or you can download it from the Web site. The booklet provides details of the Lemon Law, explains what records you may need, and walks you through the arbitration process.



CALIFORNIA’S LEMON LAW

20 Years of
Putting the
SQUEEZE
On Lemons

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2002

Gray Davis, Governor
State of California

Aileen Adams, Secretary
State & Consumer Services Agency

Kathleen Hamilton, Director
Department of Consumer Affairs

State of California
Department of Consumer Affairs
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New cars – they are the second most expensive consumer purchase (outside of a home) and quite likely to become an important part of each buyer's lifestyle. It is vitally important

these vehicles are safe and reliable. That's why California has a Lemon Law – to protect California consumers from getting squeezed by lemons.

Prior to the existence of the Lemon Law, car buyers felt they had too little recourse if they purchased a vehicle with chronic problems. Manufacturers typically instructed consumers to return lemon vehicles to dealers' repair shops again and again, rather than provide a refund or replacement for cars that couldn't be repaired. Consumers were not only inconvenienced but, more significantly, were placed at risk by driving around in vehicles with potentially life-threatening mechanical problems.

California responded by passing the Lemon Law. This landmark consumer legislation makes Californians the most protected new car buyers in the nation.



How California's Lemon Law has evolved over the years.

- **1970** — California enacts the Song-Beverly Consumer Warranty Act, the precursor to the Lemon Law. It requires all manufacturers to repurchase or replace faulty products they fail to fix after a "reasonable number" of repair attempts. However, some auto manufacturers take the position that 30 attempts is a reasonable number.
- **1982** — California's landmark auto Lemon Law is signed into law. Assemblywoman Sally Tanner first introduces this key measure in 1980, making California the first state to propose legislation to provide this important consumer protection. The law, which creates a new guideline for what is a "reasonable number of repair attempts," becomes the model for similar lemon laws eventually enacted in all 50 states.
- **1987** — State oversight of auto manufacturers' arbitration programs is established. It encourages manufacturers and consumers to resolve their disputes before heading into court.
- **1991** — The Consumer Notification Act is added to reduce incidents known as "lemon laundering." Some auto manufacturers skirt the law and re-sell lemons to unsuspecting used car buyers. To stop this from happening, manufacturers are required to "brand" the titles of defective autos to signify they are lemons. Auto manufacturers by law must:
 - Get lemons off the road; fix lemons prior to resale
 - Disclose which vehicles were repurchased due to defects
 - Submit the vehicles' titles to the Department of Motor Vehicles for "branding"
 - Provide a one-year warranty to the next consumer
- **1992** — The California Lemon Law is reshaped and renamed the "Tanner Consumer Protection Act," in honor of its author and champion Assemblywoman Sally Tanner.
- **1995** — California makes it clear that auto manufacturers that continue to violate provisions of the 1990 Act may have their licenses suspended. This warning is a wake-up call for the industry and results in changes that continue to benefit consumers today.
- **1998** — Auto manufacturers are no longer allowed to require lemon owners to sign "gag" or secrecy agreements, thanks to the enactment of AB 2410. Previously, some manufacturers used such agreements to keep car owners from speaking out about their cars' defects. The new law is hailed as pioneering protection for new and used car buyers.
- **1999/2000** — Gov. Gray Davis signs two major new Lemon Law bills that significantly enhance consumer protection.
 - **Assembly Bill 1290** – This bill provides consumers more time to benefit from the added protection of the Lemon Law's guidelines on what is a "reasonable number of repair attempts." The bill extends the Lemon Law's protections from 12 months/12,000 miles to 18 months/18,000 miles, and it still allows consumer to obtain a refund or replacement for a lemon auto at least as long as it is covered by a manufacturer's new car warranty.
 - **Senate Bill 1718** – This bill addresses new vehicles with defects that are likely to cause death or serious injury. It's now easier for consumers to seek relief under the Lemon Law after two or more failed repair attempts. This bill also extends Lemon Law protections to individual entrepreneurs and small businesses that need safe and reliable vehicles.